



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0113	Title:	Revise residency requirements for liquor licenses
Primary Sponsor:	Mcchesney, B.	Status:	As Introduced

- | | | |
|--|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
Other- Proprietary Fund	\$208,962	\$173,364	\$176,907	\$180,556
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal Impact:

This legislation removes the residency requirement for liquor licenses to bring Montana into compliance with a 2005 Montana District Court decision. For the Department of Revenue, the costs associated with this legislation are one FTE and expenditures associated with liquor law enforcement. For the Department of Justice, the ability of non-residents to acquire on-premises consumption liquor licenses will increase the time it takes to complete license investigations due to travel requirements. Also, the complexity of applications, which may be submitted by publicly traded corporate entities, necessitating additional staff and related expenditures.

FISCAL ANALYSIS

Assumptions:

Department of Revenue (DOR)

1. This legislation removes the residency requirement for liquor licenses to bring Montana into compliance with a 2005 Montana district court decision. This legislation also allows publicly-traded companies to apply for liquor licenses. Currently, the Department of Justice (DOJ) investigates liquor license applicants for the Department of Revenue (DOR).
2. The DOR will require 1.00 FTE (compliance specialist) to review and approve the complex out-of-state and corporate applications. The operating expenses include \$5,000 to upgrade computer programs.

3. The funding for this position and related operating costs are included in the DOR budget proposal.

Department of Justice (DOJ)

4. The DOJ/Gambling Control Division will continue to conduct investigations of liquor license applicants on behalf of the DOR.
5. The estimated additional workload will require two additional investigators and all related operating and equipments expenses.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
Department of Revenue				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$49,316	\$49,316	\$49,316	\$49,316
Operating Expenses	\$5,898	\$5,946	\$5,946	\$5,946
Equipment	\$5,900	\$0	\$0	\$0
TOTAL Expenditures	\$61,114	\$55,262	\$55,262	\$55,262
<u>Funding of Expenditures:</u>				
Other- Proprietary Funds (06)	\$61,114	\$55,262	\$55,262	\$55,262
Department of Justice				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$96,848	\$96,848	\$99,753	\$102,746
Operating Expenses	\$21,000	\$21,254	\$21,892	\$22,548
Equipment	\$30,000	\$0	\$0	\$0
TOTAL Expenditures	\$147,848	\$118,102	\$121,645	\$125,294
<u>Funding of Expenditures:</u>				
Other- Proprietary Funds (06)	\$147,848	\$118,102	\$121,645	\$125,294
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
Other- Proprietary Funds (06)	(\$208,962)	(\$173,364)	(\$176,907)	(\$180,556)

Sponsor's Initials

Date

Budget Director's Initials

Date